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ILLINOIS ENVIRONMENTAL PROTECTION

9

AGENCY CONSTRUCTION PERMIT HEARING, TAKEN AT

10

400 SILVERSPoon AVENUE, GRANVILLE, ILLINOIS,

11

ON AUGUST 1ST, 2006, AT 7:00 P.M., BEFORE

12

CINDY M. SCRIBNER, CSR-RPR.

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1                   MR. MESSINA:    Good evening,  
2           everyone, let's get started here.   My name is  
3           Alec Messina, and I'm the hearing officer for  
4           the hearing tonight.   And I'd like to first  
5           start off by thanking everyone for coming out.  
6           We have several employees here from the  
7           Illinois Environmental Protection Agency, I'll  
8           introduce them in just a moment.   I'd also  
9           like to note -- and I'm looking around -- I  
10          wanted to note that Senator Dahl (phonetic) is  
11          here this evening.   So thank you very much for  
12          being here.   We also have some folks -- I'll  
13          introduce them -- let them introduce  
14          themselves momentarily from Marquis Energy.

15                   First, let me start by noting that  
16          this hearing is held by the Illinois EPA for  
17          the purpose of accepting comments on Marquis  
18          Energy's application to obtain construction  
19          permit to construct an ethanol plant in  
20          Hennepin.   Marquis Energy is required to  
21          obtain a construction permit before beginning  
22          construction in the source of air emissions.

23                   A verbatim record of this hearing  
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1        tonight is being taken by the court reporter  
2        to my left, so I ask that everyone speak up so  
3        their comments can be taken down accurately  
4        and probably slowly, too, which I haven't been  
5        doing yet.    Also, please try and keep any  
6        side conversations or other noise to a minimum  
7        so that we can easily transcribe the hearing.  
8        I appreciate that.

9                Many of you have seen already that  
10       we have registration cards at the table  
11       outside.    Most of you have, but I ask that you  
12       please fill them out for a couple of reasons.  
13       First, if you would like to make any comments  
14       tonight, the cards allow us to ensure that  
15       everyone gets an opportunity tonight to  
16       comment who wants one.    And I have those that  
17       are interested in commenting here.

18               Can I have a quick show of hands of  
19       those people who think they might be  
20       interested in making comments so I can get an  
21       idea?    Looks like it's pretty close to the  
22       number of cards that I have.    So I just wanted  
23       to make sure.

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1                   The second reason for filling out  
2           the cards is that it will help the Illinois  
3           EPA in sending a response to those comments  
4           that the agency receives after the comment  
5           period closes. Everyone who has filled out a  
6           card tonight will get a copy of the agency's  
7           response to the comments that we have tonight,  
8           the comments we receive over the next 30 days.

9                   There is just a couple of quick  
10          ground rules tonight, so I want to touch on  
11          those. First, when you're ready to make a  
12          comment, just I'll call off your name, first  
13          of all, and then I'll run the microphone out  
14          to you, a little Phil Donahue tonight. When  
15          you are speaking, please state your name and  
16          if you're here on behalf of a particular  
17          group, please give the group's name, also.

18                  Second, any questions or comments  
19          you may have need to be relevant to the  
20          subject of this hearing. And tonight's  
21          subject is the appropriateness of the terms  
22          and conditions of the draft construction  
23          permit which copies are out also with the  
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1 registration cards.

2 Also, it's a little difficult for  
3 me to speak in a large group of people, so I'd  
4 also ask for those people who are situated as  
5 I am that let's try and show some respect for  
6 anyone who speaks tonight and let them have an  
7 opportunity to be heard.

8 A few moments ago I mentioned that  
9 we have a comment period here. For those of  
10 you unfamiliar with the EPA's permit hearing  
11 process, that means that after the hearing  
12 tonight ends, after it adjourns, the record  
13 will remain open for 30 days or until August  
14 31st, 2006. The Illinois EPA will continue  
15 to accept written comments, documents and data  
16 until that date as long as they are postmarked  
17 by August 31st. Therefore, if you decide not  
18 to make a comment this evening or wish to  
19 submit additional information or comment after  
20 tonight, you may do so by sending them to me.  
21 And, again, that's Alec Messina, Hearing  
22 Officer, Illinois EPA, and our address is 1021  
23 North Grand Avenue East, P.O. Box 19276,  
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1       Springfield, Illinois, 62794-9276.    And  
2       written comments do not need to be notarized.

3               Okay.    I'm starting to run out of  
4       steam here tonight, so let me introduce the  
5       other Illinois EPA staff that are here this  
6       evening.   To my left is the permit analyst for  
7       this particular permit, Minesh Patel.   I don't  
8       think that he's come in, but the gentleman  
9       that most of you saw out front, Brad Frost, is  
10      with our office of community relations.   And  
11      John Crowlack is lurking, just walking down  
12      the side here as well.   There are also, as I  
13      said in the beginning, representatives from  
14      Marquis Energy.   Before I hand them the mic  
15      and let them introduce themselves -- and  
16      they're not shaking their heads no -- I just  
17      want to note that they're not required to  
18      respond to any comments tonight.   We'll give  
19      them an opportunity tonight if they'd like,  
20      but certainly that's not required.

21              Would you like to make any  
22      introductions?

23              MR. MARQUIS:   Yeah.   Welcome  
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1 everyone. And I'd like to introduce our staff  
2 here tonight. First of all, I'm Mark Marquis,  
3 and I'm with Marquis Energy. My partner,  
4 Dennis Strohmburg, is the CFO of Marquis  
5 Energy; Lester Smith is the construction  
6 manager and eventually the plant  
7 superintendent; Jeff Peterson the grain  
8 manager with Marquis Grain, Incorporated,  
9 would be the primary grain buyer for the  
10 ethanol plant; and Don Rethal, our local  
11 counsel.

12 I'd like to say just a couple  
13 words, if I might, just about the plant. It  
14 will be a hundred million gallon plant. We're  
15 very excited to bring this development to the  
16 community and all the economic benefits that  
17 come with a plant of this size. There will be  
18 a significant benefit with the 50 full-time  
19 employee positions at the plant. And, of  
20 course, the benefits of a new construction in  
21 an area like this will continue to snowball  
22 for years to come as those 50 people spend  
23 their money back into the community.

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1                   In addition, there will be a  
2           significant benefit to the corn growers in the  
3           area. Studies of the ethanol basis impact of  
4           our area show that there will be from two to  
5           20 cent premium pay for corn, may average as  
6           much as six or seven or eight cents per  
7           bushel, not to mention the cumulative effect  
8           of all the ethanol plants of what they're  
9           going to bring to the corn market which may  
10          end up stimulating the corn market up to 50  
11          cents to a dollar in the next few years.

12                   So we do see this plant as having  
13          very many benefits for a number of people  
14          throughout the community. And I think when we  
15          evaluate the minimal risks with a minor source  
16          emitter of emissions versus the benefits to  
17          those of us locally as well as our nation in  
18          reducing our dependance on foreign oil,  
19          there's a number of key benefits. And so with  
20          that, I'm going to turn it back to the EPA  
21          folks. And Bill Roddy, Bill is here with ICM.  
22          And Bill prepared our application for the air  
23          quality permit and is an expert in this field,  
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1       and he'll handle any questions that need to  
2       come from our side.

3               MR. MESSINA: Thank you very much.  
4       Okay. I'm going to hand things over to Minesh  
5       here to provide a brief overview of the  
6       permit, and then after he's done we'll open up  
7       the floor to questions and comments. Do you  
8       have any questions before we get started?  
9       Great. Thank you.

10              MR. PATEL: Good evening, ladies  
11       and gentlemen. My name is Minesh Patel, I am  
12       a permit engineer with the Bureau of Air. I  
13       will be giving you a brief description of the  
14       proposed ethanol plant.

15              Marquis Energy, LLC, has requested  
16       a construction permit for a dry mill ethanol  
17       plant in Hennepin. The principal products  
18       produced at the ethanol plant are fuel ethanol  
19       and distiller grains. The proposed plant  
20       would have a capacity of producing 110 million  
21       gallons of denatured ethanol per year.

22              The proposed ethanol plant includes  
23       a grain elevator where grain is received and  
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1 stored. The stored grain is cleaned and  
2 conveyed to hammermill to produce fine powder.  
3 The emissions from this operations are  
4 controlled by the filters, also known as  
5 baghouses.

6 The ground grain produced in  
7 hammermilling is mixed with water, heat and  
8 enzymes to produce fine slurry. The starch in  
9 fine slurry is converted to the sugars by  
10 adding more enzymes to produce mash for  
11 fermentation. Yeast is added to the mash in  
12 the fermenters to produce ethanol rich beer  
13 and CO2 gas. The CO2 rich gas stream is sent  
14 to fermentation scrubber to remove organic  
15 material. The wastewater from the scrubber is  
16 sent back to the process. VOM emissions from  
17 the mash preparation area are vented to the  
18 thermal oxidizers.

19 In distillation process, the solid  
20 and ethanol containing water are separated  
21 from the ethanol rich beer produced in the  
22 fermentation tank. The ethanol recovered in  
23 the distillation process is sent to the  
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1 storage area where denaturant is added to the  
2 ethanol prior to sending out to customers.  
3 VOM emissions from certain distillation units  
4 are vented to the thermal oxidizer. Emissions  
5 from ethanol loadout operation are controlled  
6 by the loadout flares.

7 The solid from distillation system,  
8 also known as stillage, is sent to dewatering  
9 operation where excess water is removed to  
10 produce wet cake. Wet cake is then sent to  
11 the steam tube dryers to produce distiller  
12 grains that can be used as animal feed.  
13 Distiller grains are cooled in feed cooling  
14 drum prior to shipping to customer. Emissions  
15 from the dryers are controlled by thermal  
16 oxidizer. Both feed cooling and feed loadout  
17 operation are controlled by separate  
18 baghouses.

19 Two natural gas fired boilers are  
20 used to produce the steam required for the  
21 plant operation including the dryers.

22 A non contact cooling tower would  
23 be used for process cooling and are controlled  
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1 with mist eliminators.

2 This proposed ethanol plant is not  
3 considered a major source because the  
4 permitted emissions of pollutant from this  
5 plant would be less than the major source  
6 threshold level.

7 The Illinois EPA has reviewed the  
8 materials submitted by the Marquis Energy and  
9 has determined that the application for the  
10 project shows that it will comply with  
11 applicable state and federal standards. The  
12 conditions of the proposed draft permit  
13 contain limitations and requirements on the  
14 activities of the facility. The permit also  
15 established appropriate testing, monitoring,  
16 recordkeeping and reporting requirements. In  
17 closing, the Illinois EPA is proposing to  
18 grant a construction permit. We welcome any  
19 comments or questions from the public on our  
20 proposed action. Thank you.

21 MR. MESSINA: The first name I have  
22 is Jim Rapp. Mr. Rapp?

23 MR. RAPP: Can I wait until some  
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1 other people have gone?

2 MR. MESSINA: Absolutely.

3 Mr. Roddy, there's a -- we've got a maybe.

4 That's still maybe. We have a potential  
5 commenter. I'm going to mispronounce the last  
6 name, Paul and Sherry Miskowicz.

7 MRS. MISKOWICZ: I'd like to  
8 address the original statement made by  
9 Mr. Marquis. I live in Hennepin. I don't  
10 live very far from where this is going to be  
11 built. And I'm very concerned about the  
12 emissions, and I'm very concerned about the  
13 smell. As the EPA is already familiar, we  
14 already have one plant in the area that sends  
15 out an annoying smell. And in a town of 750,  
16 you know, we live there for a reason. And  
17 with the -- I know that the majority of people  
18 are going to benefit from this, but I'm one of  
19 the minority -- or the minor inconveniences is  
20 the odor. And I'm very concerned about that.  
21 And I don't want to be another Lena, Illinois,  
22 and I don't want to be put in that situation  
23 where I need to be wondering whether I can  
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1 open up my window every morning. Thank you.

2 MR. MESSINA: Thank you. Jim --  
3 another one I'm going to mispronounce,  
4 W-E-G-R-Z-Y-N.

5 MR. WEGRZYN: You said this plant  
6 is going to conform with federal and state  
7 standards for air?

8 MR. PATEL: Uh-huh.

9 MR. WEGRZYN: And it's going to be  
10 monitored?

11 MR. PATEL: Yes, it will be.

12 MR. WEGRZYN: How are you going to  
13 monitor it?

14 MR. PATEL: There are requirements  
15 in the permit for the monitoring. There are  
16 requirements in the permit for the monitoring  
17 for all the operations, and our field office  
18 would be taking a yearly inspection on this  
19 for the records and to see whether they comply  
20 with the regulations.

21 MR. WEGRZYN: You're saying that  
22 you're going to use their records to check for  
23 the standards?

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1                   MR. PATEL: Yes, there would be  
2 requirements for them to keep the records.  
3 And there are certain -- for boilers there  
4 would be an oxidizer monitoring requirement as  
5 well.

6                   MR. WEGRZYN: You don't want to put  
7 the fox in charge of the hen house, because I  
8 would -- there should be some outside way that  
9 you're going to monitor this, not just rely on  
10 them.

11                  MR. PATEL: Well, there are also  
12 requirements for them to be testing this.

13                  MR. WEGRZYN: They're going to do  
14 the testing, you're not going to?

15                  MR. PATEL: No, there would be an  
16 independent testing and the agency would be  
17 there to monitor the testing. And the  
18 monitoring of, you know -- the monitoring  
19 would be done based on what was the  
20 requirement for the testing. For example, if  
21 the oxidizers was to require at 1,400 degrees,  
22 they're not to operate below that. So there  
23 would be a monitoring requirement for a lot of  
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1       this -- the scrubbers and the dryers and the  
2       boilers as well.

3               MR. WEGRZYN:  An independent  
4       testing?

5               MR. PATEL:  The testing would be  
6       independent, yes.

7               MR. MESSINA:  Chris Maggi.

8               MR. MAGGI:  Hi.  Thank you for  
9       letting me speak.  I'm a resident of  
10      Granville.  And so far today I've heard three  
11      different sizes of this plant.  Mr. Marquis  
12      was quoted in the Peoria Journal Star speaking  
13      in Henry, Illinois, said this plant is going  
14      to be 200 million gallons in two phases; he  
15      said tonight a hundred million gallons, and  
16      you said 110 million gallons.  I'd like to  
17      know which one it's going to be, and if  
18      there's going -- if this is going to be two  
19      phases of 200 million gallons, what are we  
20      permitting at and how long is it?

21              MR. PATEL:  The construction permit  
22      is for 110 million gallons of denatured  
23      ethanol.  That ethanol includes the denatured  
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1 ethanol that's needed to add it for this to be  
2 a field ethanol. So the 200 million -- the  
3 two phases that you are referring to is -- we  
4 haven't seen their construction permit. Now,  
5 whether there would be a construction permit  
6 for this or not, it's not known yet.

7 MR. WEGRZYN: But there does have  
8 to be another permit to go to 200,000 gallons?

9 MR. PATEL: Yes, it would have to  
10 be permitted as is this time.

11 MR. MESSINA: Does anyone from  
12 Marquis have anything else to add?

13 MR. MARQUIS: No.

14 MR. MESSINA: Ron Chiado.

15 MR. CHIADO: My name's Ron Chiado,  
16 and I've lived in the area for 59 years  
17 really straight east of ESK. And just like  
18 this lady, I get up in the morning and I walk.  
19 And if there's a west wind, I can assure you  
20 the EPA isn't doing a real good job of  
21 monitoring ESK at the time. It's very bad.  
22 It stinks. Now, when you say you're going to  
23 monitor Marquis, is it going to be the same  
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1        thing? Awe, it's just a little bit of smell,  
2        it isn't bothering anybody. If they do  
3        violate, what is the fines; is it going to be  
4        just a lit slap on the hand, let them make  
5        their profits, pay their little fine and  
6        continue?

7                    MR. PATEL: Well, no. If they do  
8        violate the permit conditions, there would be  
9        an enforcement action against the company, up  
10       to what degree, I mean, it's not up to me. I  
11       mean, I am a permit analyst, it would be  
12       referred to our legal staff as well as maybe  
13       in certain cases attorney general's office.

14                   MR. CHIADO: And nobody's mentioned  
15       -- I'm a fisherman, too, and are they going to  
16       handle all their water?

17                   MR. PATEL: All -- this plant is  
18       designed as a zero discharge. By that all the  
19       waste water generated are used as a process  
20       water in the either fermentation or the cool  
21       water tanks or something in that sense. So  
22       all the waste water is reused in the process.

23                   MR. CHIADO: Do they have to get  
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1       permits for that, also?

2               MR. PATEL:  They will have to get a  
3       permit for the discharge of the water if they  
4       do decide to discharge it, yes.

5               MR. CHIADO:  And when you're saying  
6       -- I'll finish this -- when you're saying it  
7       is a construction hearing to issue permits to  
8       allow them to begin construction.

9               MR. PATEL:  Right.

10              MR. CHIADO:  Then they're violating  
11      it already, because there's somebody out there  
12      working now.

13              MR. MESSINA:  Claire Manning.

14              MS. MANNING:  Can I wait a little  
15      while?

16              MR. MESSINA:  Yes.  James Wilson.

17              MR. WILSON:  Yes, I'm James Wilson,  
18      director of Glazer, (phonetic) Incorporated, a  
19      nonprofit situated in the State of California.  
20      And it -- I'm privileged to be in a position  
21      to where I've been reviewing more ethanol  
22      plants than any other entity in the country  
23      combined from Ohio, Indiana, to Iowa to  
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1        Illinois now. And it -- in fact, I just took  
2        a two-week trip right through Iowa earlier  
3        this year and visited the files on over 26  
4        ethanol plants in Iowa. I'll make it quite  
5        clear, Glazer is not opposed to the ethanol  
6        industry. What it is opposed to is the  
7        Klondike gold rush scenario which some of you  
8        that's been reading the national papers have  
9        just experienced and watched over in Iowa.  
10       Out of 26 plants built roughly 25 of those  
11       didn't even have proper water permits after it  
12       was built. I've seen some of the prettiest  
13       purple water flowing directly into streams  
14       over in Iowa that you've ever seen in your  
15       life. They've actually had plants exceeding  
16       their emissions in Iowa 10 times what they  
17       said on their permits what's called for. You  
18       have to point out, there are no more  
19       requirements in the State of Illinois of  
20       regulatory reviews than there is in Iowa right  
21       now today over emissions. Right now there are  
22       no mandatory emission testings of the stacks  
23       in Illinois.

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1                   I'd like to be looked at and Glazer  
2           would like to be looked at as how to improve  
3           the industry and try to really be a benefit to  
4           the communities they affect. Truth of the  
5           matter is, ethanol industry is on the honor  
6           system in almost every state, and Illinois is  
7           one of those states as well. That being the  
8           honor of somebody wanting to make money.

9                   The board has proposed for this  
10          ethanol plant, believe it or not, will put out  
11          three times the emissions of literally nearly  
12          dozens and dozens of boilers built in the last  
13          20 years of the equivalent size. Three times.  
14          In other words, we're moving backwards, folks.  
15          Illinois does not even require BACT which is  
16          best available control technology. That term  
17          is used to help make leapfrog approaches where  
18          everything we build gets cleaner rather than  
19          worse. We're moving backwards.

20                  The Lena plant was under the same  
21          regulatory scrutiny with the same penalties  
22          that this plant is going to be under. It took  
23          citizen groups suing the Lena plant before the  
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1 State actually got active and started helping  
2 and getting involved on the Lena plant which  
3 some of you might have received fliers and  
4 information on.

5 Truth of the matter is, there is no  
6 enforcement today. And there's no pressure to  
7 create any enforcement. The way you do that  
8 is early on. First off by making them be  
9 honest. I want to make it quite clear, the  
10 ethanol industry historically to date have  
11 been liars, misrepresenters. And I'm going to  
12 tell you right now swearing on a stack of  
13 Bibles they don't make a zero discharge  
14 ethanol plant anywhere in the country. They  
15 all have discharges of some type that are  
16 going to go into the Illinois River. Not only  
17 that, they're going to have settlement ponds  
18 which create air emission issues. And they're  
19 not addressing this as well.

20 The truth of the matter is, ethanol  
21 can be a benefit to the entire country but not  
22 if we allow -- you want helter skelter just  
23 like we did the mining operations back 200  
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1       years ago. And what you're asking -- looking  
2       here is people trying to -- I'll tell you  
3       right now, you're looking at potentially 40  
4       ethanol plants being proposed in Illinois.  
5       Probably 20 of them will not come to fruition.  
6       A good portion of those that won't be  
7       developed are developers out there developing  
8       packages and selling them off to somebody  
9       else, trying to cash in, so to speak.

10               Ethanol has got some real problems,  
11       but they can have some real benefits. If you  
12       continue this rush and we keep lowering the  
13       standards and we don't pay attention to what's  
14       happening in Iowa. Would you believe that  
15       those Hoosiers next door in Ohio and Indiana  
16       have better and higher standards than Illinois  
17       is requiring? We're talking emission stuff on  
18       ethanol plants. I can tell you right now,  
19       because I'm involved in it, those aren't very  
20       good either. We just had to do some billing  
21       represents over there and actually document  
22       monitoring far exceeds Ohio or Indiana.  
23       Again, you can have a profitable plant but if  
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1       you rush to judgment this is going to be a big  
2       catastrophe and a very similar catastrophe  
3       that you've got going on over in Iowa. And  
4       considering the amount of money -- generally  
5       speaking they don't make an ethanol plant  
6       that's not subsidized from one way or another  
7       from tax payers. And some of them very  
8       heavily subsidized. I can tell you one of the  
9       subsidized proposed ethanol plant was Shockton  
10      County, Ohio, has got almost 80 million  
11      dollars bonds guaranteed by local governments  
12      and state agencies. And it was sold, by the  
13      way, to somebody else and the guy who put it  
14      all together took a good portion of that money  
15      with him.

16                To sum it up, I have to point out  
17      that they are not whatsoever -- and they can  
18      dispute me, I'd like to see it in writing --  
19      they're not considering the cumulative effect  
20      of anything on any of these ethanol  
21      facilities. In other words, with your steel  
22      mill out there and the power plant, logic  
23      dictates that you would look at the cumulative  
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1 effects in your community. Well, I guess more  
2 importantly is the credibility of the industry  
3 and, in fact, credibility of Mr. Marquis.  
4 He's got press releases talking about 200  
5 million gallon plants coal fired and in the  
6 same press release but we'll build it gas  
7 fired first because he knows once you get a  
8 plant up and running you won't find of two  
9 examples maybe in the entire country where  
10 they ever shut a plant down. So the point  
11 being, if you're going to go ahead and allow  
12 this plant to be built, right now is the time  
13 to put the added criteria that's going to  
14 protect the community and that's going to  
15 ensure that we don't have the catastrophes  
16 taking place that we have over in Iowa with  
17 emergency legislation of \$25 million just  
18 passed earlier this year in Iowa to try and go  
19 back and clean up the rampant industry that  
20 ran crazy over there. Are we going to make it  
21 a true benefit for everybody? And I tell you  
22 right now the ethanol industry is in its  
23 blackest days right now. It's got brighter  
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1       days ahead, but only if they're held to the  
2       higher standards and if Ohio, Illinois EPA  
3       finds the political will to say, hey, we  
4       support a clean, efficient, truly beneficial  
5       ethanol industry for all the residents of  
6       Illinois. And until that happens I'd be very  
7       skeptical. And I tell you right now there's  
8       just not enough -- I can tell you right now  
9       there's no more enforcement being proposed in  
10      this air permit than what was originally  
11      proposed in Lena plant. And there's no more  
12      regulatory agency or overview than there is in  
13      the Lena plant as we speak today.

14                   Thank you very much. I'm sure  
15      we're going to have some more publications  
16      come out. This is a very important issue.  
17      I'd like to point out ethanol could be a  
18      benefit to the country if it's done in the  
19      right circumstances. But a rush to judgment  
20      and the rush to rubber stamp these permits is  
21      the last thing the State of Illinois needs.  
22      Thank you for your time.

23                   MR. MESSINA: Claire Manning.  
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1 MS. MANNING: Thank you, Alec. My  
2 name is Claire Manning. I'm here on behalf of  
3 an association called Laser Legal and Safety  
4 Employer Research, Inc., and other concerned  
5 citizens of Illinois about power plants, and  
6 about the ethanol plant, this one in Putnam  
7 County. And I offered to come today and talk  
8 because I offer a great deal of experience in  
9 environmental permitting as well as a good  
10 deal of personal interest. I actually grew up  
11 in Bureau County in Ladd, Illinois, not far  
12 from here. So I know a great many of you in  
13 the audience, and I graduated from Hall High  
14 School. And I've been in Springfield for the  
15 last, oh, I don't know, 25 years. I was  
16 chairman of the Pollution Control Board from  
17 1993 to 2002. So I know all about  
18 environmental permitting and environmental --  
19 all of these issues and Alec and have worked  
20 for them, with them, you know, for many years.  
21 I am concerned and my clients are concerned  
22 about the permit that's being proposed to be  
23 issued to the ethanol plant here in Hennepin.

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1 And I'm going to go through some of those  
2 concerns. We're going to be more detailed  
3 with our technical comments, you know, as we  
4 follow them up in writing. But I'm going to  
5 try and add just a little context to what's  
6 going on here.

7 As currently drafted, this permit  
8 allows, if you will, the facility to be under  
9 the radar of our strict new federal standards  
10 called PSD. Jim referred to it earlier in  
11 terms of BACT, best available control  
12 technology. If this plant were designed to  
13 emit more than a hundred tons of emissions per  
14 year, they would fall into a category where  
15 they'd have to have much more strict federal  
16 guidelines than they have currently and that  
17 the agency is allowing them to go ahead with  
18 this draft permit. But they're coming today  
19 suggesting and telling the agency that they're  
20 going to be under that standard while we're  
21 reading press releases that indicate that  
22 they're poised, if you will, to build a bigger  
23 plant, to build a coal fire plant. And the  
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1       agency needs to consider that in determining  
2       whether in fact this plant is going to emit  
3       what it says it's going to emit. Because if  
4       it goes just a few point percentages over,  
5       it's at a hundred.

6               In the permit itself you can see  
7       that the emissions that we're talking about  
8       are really just basically under the radar.  
9       They propose 96.85 for NOx, 98.09 for CO,  
10      98.72 for VOM, 98.60 for PM's. And basically,  
11      as I said, if it gets to a hundred they're  
12      under the federal standards and they have a  
13      lot more serious review. So the agency needs  
14      to consider really what's going on here in  
15      terms of what this facility is designed to do.

16             Now, I heard the agency indicated  
17      that in fact we're going to make them monitor  
18      to make sure that they comply, to see if they  
19      comply. Understand that if they don't comply  
20      and they do go above the hundred, there's not  
21      a whole lot that can be done. I mean, they  
22      can be enforced against, they can pay  
23      penalties, they can consider those penalties  
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1 the cost of doing business quite honestly.  
2 But it's highly unlikely their permits would  
3 ever be revoked. And it's highly unlikely  
4 that they would have to engage in this kind of  
5 new federal review.

6 In fact, you know, several of the  
7 commenters talked about Lena, Illinois.  
8 There's an Adkins plant in Lena. And Lena was  
9 permitted without even a thermal oxidizer.  
10 And the citizens of Lena had to get a lawyer  
11 and go to court, to Federal District Court, as  
12 a matter of fact. I talked to the lawyer this  
13 afternoon who represented those citizens. And  
14 at great cost they had to basically file a  
15 charge to get the ethanol plant to do the  
16 right thing, and still they're experiencing  
17 many difficulties with odor and a lot of other  
18 issues.

19 So my point to the agency is you  
20 got to do the right thing now and make sure  
21 that this permit is issued in a way that meets  
22 the federal guidelines, the state guidelines,  
23 the state regulations and don't just take it  
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1       on face value that they're going to only emit  
2       there.

3                   I mean, one of the things I heard  
4       you say at the very beginning is we're going  
5       to monitor them to make sure that they emit  
6       what they say they're going to emit. Well,  
7       understand, if they emit a little bit more,  
8       then you should have required the federal  
9       standards. And that's the point that I think  
10      the agency needs to really look at with this.  
11      Because in environmental law and environmental  
12      permitting it is the industry's responsibility  
13      to prove to the agency that they're going to  
14      meet all of the right standards. And the  
15      agency has -- I've seen many clients where the  
16      agency has held their feet to the fire in  
17      terms of making sure that they cross every I  
18      (sic), dot every T (sic), and when they get  
19      this high in terms of closeness to the federal  
20      standards, greater scrutiny is generally  
21      required.

22                   Now, I understand, and I've been in  
23      Springfield for a long time, I understand the  
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1       benefits to ethanol. I understand that we're  
2       moving in a direction of ethanol being, you  
3       know, a good industry and that sort of thing.  
4       And in terms of promoting the industry -- and,  
5       in fact, you know, I actually applaud the  
6       agency on the whole building an ethanol plant  
7       in Illinois program that's on the web site  
8       that talks to an ethanol -- you know, a  
9       potential builder of an ethanol plant in terms  
10      of how to do it. Actually, the first thing it  
11      says though in terms of what clean air permits  
12      are going to be required, it talks about PSD  
13      and the Federal Clean Air Act permits  
14      presuming that most of these ethanol plants  
15      will be built in a way that the federal, you  
16      know, requirements kick in. And this one is  
17      being built such that those federal  
18      requirements, again, are not kicking in.

19                There -- I think -- I also want to  
20      say that I understand as well, and I was in a  
21      recent conference where they said there's some  
22      40 some ethanol plants being contemplated in  
23      Illinois. 40. And that some of them are in  
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1 greater stages of development than others.  
2 This one is obviously already being  
3 constructed without even having a construction  
4 permit yet because, you know, I saw the  
5 pictures today and they're out there. I  
6 mean, they're out there presuming it's going  
7 to be built, presuming they're going to get  
8 their permit, presuming -- they got a sign up  
9 saying that this is the new ethanol plant. So  
10 they're really moving ahead thinking the State  
11 is in fact going to make sure that they get  
12 permitted. And my point, I think, to the  
13 State is, you know, make sure that these guys'  
14 I's are dotted and T's are crossed, because  
15 we're going to suggest in our public comments  
16 that they're really not. That there's a lot  
17 of new technology out there that they're not  
18 being required to do and there's going to be  
19 serious problems and that kind of thing. And  
20 I think most onerous is the idea that the  
21 ethanol plant here is out in press releases  
22 and at Rotary Clubs explaining that you're  
23 really going to be a 200 million gallon  
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1 facility in the near future and you're going  
2 to use coal. And I heard you say, well, we  
3 don't know that, we don't have that permit in  
4 front of you. But you can read the newspaper,  
5 and I've got the press release.

6 And you can go to your web site and  
7 there's a question and answer section on the  
8 EPA's web site, and it's wonderful. And one  
9 of the questions is, what is a sham permit?  
10 Okay. And I'm going to read you what their  
11 answer is. "A sham permit is when a source  
12 pursues a permit limit on the potential to  
13 emit for a proposed project in order to limit  
14 the source to minor source levels as a means  
15 of circumventing the requirements of NSR."  
16 Which are the federal requirements I'm talking  
17 about. "Most often this term applies to  
18 construction permits when a company wants to  
19 expedite commencement of construction so they  
20 are willing to take whatever they consider  
21 temporary limits on PTE such that the proposed  
22 project is not required to undergo NSR and,  
23 therefore, they can get their permit without  
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1       any of the associated NSR delays." Because if  
2       you're talking about a federal permit, there  
3       could be a federal appeal and all of these  
4       kinds of things as well. "The company's  
5       intent in such cases would be to remove the  
6       limiting permit conditions prior to normal  
7       operation or shortly thereafter. Another  
8       circumstance which may occur is when the major  
9       project is broken up into several smaller  
10      minor projects in order to avoid NSR  
11      requirements. The U.S. EPA has expressed that  
12      a company should fully address the means of  
13      both initial and future compliance and the  
14      preconstruction at the preconstruction permit  
15      application stage that a complete review be  
16      performed and the means of compliance  
17      determined prior to the issuance of a permit.  
18      The means and cost of continuous compliance  
19      should be part of the company's business  
20      decision when determining whether or not to  
21      construct." And then it says, "Sham is  
22      defined as counterfeit, untrue or false."

23                   I mean, the point here is, let's  
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1       call a spade a spade. If they're going to  
2       build a big plant, then the agency ought to  
3       know that now. Here again, I -- as I said,  
4       the Lena plant caused so many problems that I  
5       urge the agency to be more careful in the  
6       review of this permit and more generally this  
7       burgeoning industry. I was at the board when  
8       peeker plants -- I don't know how many of you  
9       remember peeker plants was an issue, but it  
10      was this whole natural gas fired -- and it  
11      became very controversial to people. What the  
12      State did at that time is hold public hearings  
13      throughout the State in terms of whether the  
14      State regulations and the federal regulations  
15      were really adequate to address all of the  
16      problems associated with peeker plants. And I  
17      would urge the agency to do that kind of thing  
18      in this process as well. You've got 40  
19      potential ethanol plants, you've got no  
20      sighting requirements for them, you've got no  
21      specific rules that apply with ethanol. I  
22      mean, you're talking -- this is a different  
23      kind of process. You've got grain, you've got  
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1 emissions from grain. As all you farmers  
2 know, when the grain's down the combine, I  
3 mean, grain causes dust. You know, we need to  
4 ask the agency whether they've considered all  
5 of those dust emissions when they said it's  
6 only 95.8 or whatever the number is for the  
7 fugidous (phonetic) dust emissions. It's so  
8 close to that hundred that every little bit of  
9 -- PM it's called, particulate matter, that's  
10 dust, folks. All of that needs to be  
11 controlled such that it really is underneath  
12 the radar -- it really is underneath the  
13 federal standards. And my guess is this  
14 plant's going to be operating in a year and  
15 it's not going to be. I mean, we can go  
16 through the permit -- and we're going to do  
17 that in a more technical review, which we'll  
18 submit later to the agency -- and it's going  
19 to be over that hundred threshold when it  
20 starts operating and there's nothing that's  
21 going to be done because they've already been  
22 built without being required to go through the  
23 best available control technology. What do I  
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1 mean by that? That's like your boilers, your  
2 different systems can have different amounts  
3 of efficiency. And ethanol plants all over  
4 the State are being built with greater  
5 efficiency.

6 Just as an example, one of the --  
7 the wet scrubber is only being permitted for a  
8 98 percent emissions capacity. It only  
9 captures 98 percent. Folks, that means that  
10 two percent is not captured. When you're  
11 talking about volatile organic compounds,  
12 that's a lot. And I've got -- and we're going  
13 to put in our comments -- in California they  
14 require them to reach 99.9; United Wisconsin  
15 Grain Producers in Wisconsin 98.7; Alcore in  
16 Minnesota 99.2; Central Minnesota Ethanol in  
17 Minnesota 99 percent; CMEC in Minnesota 99.98  
18 percent. So I could go on and I'm not going  
19 to bore you tonight with all of the technical  
20 details. But my point is, we're going to be  
21 submitting all of this comment. We're just  
22 very concerned that the agency really perform  
23 an adequate review of what these requirements  
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1       -- what the company is really being required  
2       to do and hold their feet to the fire. I  
3       have seen the agency more often than not with  
4       my clients not approve a permit within the 180  
5       days of their time frame and ask for more  
6       information and demand the company present the  
7       information to make sure that they've got it  
8       squared away, that they're going to be  
9       emitting within the, you know -- the required  
10      time frame.

11               I've got clients that have waited  
12      for a year for a permit because, you know,  
13      every 180 days they get a call from the permit  
14      reviewer and say, oh, we can't issue the  
15      permit now, we need another 180 days because  
16      we need this information. And I would suggest  
17      to you because ethanol is such a hot and sexy  
18      issue right now, there's a rush to judgment in  
19      terms of approving these permits. And I think  
20      everybody needs to take a deep breath and say,  
21      okay, what's being emitted here? What are we  
22      really requiring? What should we be  
23      requiring? And let's apply the rules. The  
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1       agency has a lot of discretion. And don't let  
2       them tell you necessarily we don't have any  
3       discretion, whatever the rule is. There's a  
4       lot of wiggle room and a lot of discretion in  
5       what they require and how they hold somebody's  
6       feet to the fire to meet the standards. And I  
7       see a lot of wiggle room in the permit. I see  
8       permit language here that allows a lot of just  
9       discretion on the part of the company. And my  
10      point is, let the agency use the discretion,  
11      let the State be a leader here and let's make  
12      sure that our plants are certainly as  
13      efficient, certainly as environmentally  
14      protective as those that are being built in  
15      the midwestern states. And Jim has points  
16      that in other states -- in Iowa they're not  
17      that protective. So the point is these need  
18      to be built correctly, and I don't think we're  
19      there yet, folks. So that's my point. I'm  
20      happy to, you know, talk to anybody afterward  
21      if you'd like to. Thank you, Alec.

22                   MR. MESSINA: Dominick Byrne.

23                   MR. BYRNE: I'm just a concerned  
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1 parent. I have two children that have asthma.  
2 I don't live in the area, however, it appears  
3 to me that Illinois wants to be the ethanol  
4 capitol of the United States. And my only  
5 concern is that every safeguard that is  
6 humanly possible is put in place to protect  
7 our youth. I witnessed my son have an asthma  
8 attack on a basketball court in 8th grade.  
9 Nobody wants to see something like that. I  
10 know you guys will do your best, but with  
11 47 -- I think I heard a number of 47 ethanol  
12 plants coming, that's an awful lot. So let's  
13 just do our very best to make sure our  
14 children are safe. Thank you.

15 MR. MESSINA: Robert Haggenjos.

16 MR. HAGGENJOS: I live over on ESK  
17 Blacktop, that's the old name for it, and my  
18 concern is for the environment. I heard a  
19 statement that there has been an agreement  
20 made by Mr. Marquis, is it, to build this 200  
21 million gallon plant. There's a memorandum  
22 that's been signed and an agreement made that  
23 they're going to switch to coal. And if I'm  
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1       not mistaken, the little town that -- I'm new  
2       to this area, I've only been here for nine  
3       years -- but the little town on the other side  
4       of the river that has boat races, I continue  
5       to read in the newspaper how the coal fired  
6       electric plant is dumping crap all over their  
7       city. If you add another coal burning plant,  
8       it's going to dump more sulfer in the air,  
9       more CO2 emissions, it's going to affect  
10      global warming. Quite frankly, I don't think  
11      that this agreement that they have in front of  
12      us takes care of all the loopholes that this  
13      company has. And I think there's a lot of  
14      work to be done before Granville and Hennepin  
15      accept this plant in the area. Even though  
16      it's been started, I think everyone needs to  
17      do everything they can to stop it until this  
18      agreement is fixed.

19               I just went on the internet for fun  
20      today and let me tell you, there is a litany  
21      of horror stories. In Minnesota there were 15  
22      plants, it took them years, individuals,  
23      cities had to put out millions of dollars to  
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1       get these plants up to meet the standards. In  
2       fact, the one in St. Paul was shut down  
3       finally after four years of battling. So we  
4       have a lot of work to do.

5                   I'm not just concerned about my  
6       house on ESK Blacktop, but I'm concerned about  
7       the fumes that will travel up to three to four  
8       miles from the plant. And so Hennepin's  
9       going to get it and Granville's going to get  
10      it unless we do -- make them do a better job.  
11      And as far as the EPA is concerned, I don't  
12      trust government one bit. I think it's up to  
13      the local people to make sure this is done  
14      right. So thank you for listening.

15                   MR. MESSINA: Dominic Spanos.

16                   MR. SPANOS: I'm from Hennepin,  
17      Illinois, too, and most of the things I was  
18      wanting to bring up are already brought up. I  
19      used to work ESK, and I can remember working  
20      for them. And there was some type of a limit  
21      parts per million of SO2 gas that's in the  
22      air, say, in a certain amount of area. They  
23      had to build a desulferization plant to  
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1       comply. If this plant is going to be coal  
2       fired and there's going to be more emissions,  
3       what do they got to do? Is there anything in  
4       there about that?

5               MR. PATEL: As proposed, the  
6       ethanol plant is not for a coal fire, it's  
7       only a natural gas.

8               MR. SPANOS: Well, I guess like  
9       everybody else is saying, when they do build  
10      this thing under the natural gas fire and then  
11      they decide to expand and go to coal, are you  
12      going to tell them no?

13              MR. PATEL: They would have to  
14      comply with all the rules and regulations if  
15      they do decide to go there.

16              MR. SPANOS: In other words,  
17      they'll probably get their permit. They seem  
18      pretty confident, they got their construction  
19      started already.

20              MR. MESSINA: Larry Kessler.

21              MR. KESSLER: I guess some of my  
22      questions have been answered from previous  
23      conversation. I'm wondering who engineered  
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1       and who watches the Lena plant and what can we  
2       expect with our plant here if we've got the  
3       same police force that they have? Also, I'm  
4       wondering, where do we get our water from? A  
5       hundred million units of ethanol, as far as I  
6       understand it, takes about three gallons of  
7       water for a unit of ethanol. That's 300  
8       million, where does that come from, the river;  
9       does it come from a well; does it come from  
10      our ground water?

11               MR. MESSINA: Unfortunately we  
12      didn't bring anyone here today who's familiar  
13      with the Lena facility. I don't think --  
14      obviously there have been a lot of questions  
15      this evening about the situation at Lena, and  
16      I think it's something that we're going to  
17      have to -- unfortunately since we have no one  
18      here to really address it is something we're  
19      going to have to address more detailed in the  
20      comments that we're going to send out. Which  
21      is what -- if you recall at the beginning, I  
22      said that whatever questions we receive  
23      tonight as well as the 30 days after tonight's  
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1       hearing is over we're going to have to respond  
2       to all of those. So I think we're going to  
3       have to address that in greater detail since  
4       there's no one here tonight. And I apologize.

5               MR. KESSLER: Well, I would think  
6       when you're judging permits that one of the  
7       most essential things in the process is a  
8       combustible material to process this and  
9       water. Corn, we know where corn will come  
10      from. But to me water and a fuel is very  
11      important. And if engineering hasn't changed  
12      any from the first plant to the new plant, we  
13      can expect the same thing that they've got in  
14      Lena, unless I'm missing something here.  
15      Your turn.

16             MR. MESSINA: I'd say thanks, but I  
17      think I'd be lying.

18             MR. PATEL: The Lena plant  
19      originally was permitted and it didn't have  
20      any thermal oxidizer versus this plant does  
21      have two thermal oxidizers to control the  
22      dryer emissions. We'll also control some of  
23      the emissions from the mash preparation area  
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1 as well as the distillation area.

2 MR. MESSINA: I think the point is  
3 that there's some differences. Obviously,  
4 we're going to have to address it in greater  
5 detail. So we do appreciate all the questions  
6 we're receiving tonight. That brings us to  
7 the two folks we started out with who chose to  
8 be skipped at the time, and I'll give them one  
9 last chance before we open it up to questions  
10 from the folks who did not submit a card. Jim  
11 Rapp.

12 MR. RAPP: My name's Jim Rapp, I'm  
13 a corn grower from Princeton, I also serve as  
14 a director on the Illinois Corn Marketing  
15 Board. As you might expect, I'm a supporter  
16 of Marquis Energy and the construction of that  
17 ethanol plant. As you all know, ethanol is  
18 good for our environment, it's good for our  
19 country and without a doubt it will be good  
20 for this community, this immediate community  
21 as well as the ag community for many counties  
22 in the Illinois Valley Region. I'm sure  
23 everybody knows that ethanol is an oxygenate  
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1       which burns cleaner in our fuel and is much  
2       safer for the environment than the oxygenate  
3       that we've had in many of our cities, MTVE.  
4       And ethanol has been chosen to be a  
5       replacement for that and mandated to be the  
6       replacement for that all across the country.  
7       I'm sure everybody else knows the value of  
8       ethanol for the whole country as an  
9       alternative to the independence -- of our  
10      dependence on imported oil and our gasoline  
11      supplies. Ethanol burns cleaner, it will not  
12      pollute our ground water and our streams or  
13      lakes and rivers. And best of all, it's  
14      renewable and made from corn grown right here  
15      in the Illinois Valley Region on some of the  
16      best soils that there are on earth. And  
17      better yet, we don't have to import kernel  
18      corn to produce ethanol.

19               Now, that brings me to what this is  
20      all about as far as I'm concerned is economic  
21      development in the Illinois Valley. This  
22      facility is expected to produce 110 million  
23      bushel, or whatever the thing calls for, and  
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1       that's going to consume about 36 to 37 million  
2       bushel of corn each year. And that's close to  
3       the production in Bureau County alone. Now,  
4       you know that corn is naturally not going to  
5       come just from Bureau County, it's going to  
6       come from every field. Every county and every  
7       area are going to have access to the goods  
8       from Marquis Energy as well as the goods that  
9       come from CGZ or Cargill or ADM all up and  
10      down the river.

11               Now, the key point I want to make  
12      is that that 37 million bushel of corn which  
13      is going to be produced is going to -- that is  
14      going to be raised and used by Marquis is  
15      going to be a direct -- going to come out of  
16      the direct supply that has gone into the  
17      export market. Which the Illinois River is an  
18      export market. That corn goes down the river  
19      and once it gets on a barge it goes all the  
20      way to New Orleans and then it's into a  
21      foreign market. But with that new demand,  
22      that's going to increase the price of corn.  
23      And as a corn grower, that's the thing we've  
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1       been fighting for for many years.

2                   And I did a little checking on the  
3       bids at CGB yesterday. I didn't get today's  
4       bid, but this is close enough. Now, December  
5       corn for '06, this coming December, the cash  
6       bid of corn is 240. Now, the December bid for  
7       '07, next year, is 284, that's 44 cents. Now,  
8       if you take that 44 cents times that 37  
9       million bushel of corn, that's 16 and a third  
10      million dollars that's going to be generated  
11      into this community.

12                  Now, I went a little further and I  
13      did a little digging and I found in the four  
14      county area, Bureau, Marshall, Putnam, LaSalle  
15      County, we're producing about 102.7 bushel of  
16      corn. Now, that's from '05 production. You  
17      take that 44 cents -- that's 45 million  
18      dollars that's going to be brought into this  
19      community.

20                  I went a little further and I  
21      looked up December '08, and the price of corn  
22      -- and these prices are going up because of  
23      the growth of the ethanol business in this  
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1 country. The price for December '08 is up to  
2 305, minus 240; 65 cents times 37 million; 24  
3 million dollars is going to be coming into  
4 this Illinois Valley Region. Times 102.7  
5 million bushels, 65 cents, that's 66.8 million  
6 dollars that's going to be coming in. That's  
7 added value for corn grown in this area, and  
8 those dollars are going to be spent in the  
9 Illinois Valley. Now, additional benefit  
10 from Marquis Energy is going to be -- to the  
11 ag community is going to be the feed that's  
12 going to be produced. It's not just going to  
13 take this corn and it's going to be displaced  
14 completely, we're going to get some feed out  
15 of that, it's called a co-product, also  
16 distillers -- dry distillery grains. Now,  
17 from each bushel of corn we'll get 2.8 gallons  
18 of ethanol. We also get about 17 pounds of  
19 distillery grains which is a quality livestock  
20 and poultry feed. And it's usually fed for  
21 cattle. This distillery grain has gained a  
22 lot of acceptance all across the livestock and  
23 poultry industry both domestically and many of  
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1       our foreign markets.

2               Our main line in this area to the  
3       rest of the world is the Illinois River. And  
4       Marquis Energy located in Hennepin is an ideal  
5       place to be able to load the distillery grain  
6       onto a barge, barge it down the river and load  
7       it on to a exporting panamax, or whatever they  
8       put it on, to get it to a hungry world. And  
9       believe me, 97 percent of the people in this  
10      world who are eating are outside of the  
11      borders of the U.S. There's a lot of people  
12      out there that need to have food. And EEG can  
13      meet that demand because of livestock feed and  
14      poultry feed.

15             Now, I've worked with Marquis,  
16      Incorporated, as a fertilizer company, as an  
17      ag chemical supplier and as a grain business  
18      for many years. And they're very  
19      professional, they're environmentally  
20      conscious and, as far as I'm concerned,  
21      they're very sensitive to their customer's  
22      satisfaction. And there is no reason in my  
23      mind why Marquis Ethanol shouldn't operate in  
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1       the same fashion. I believe ethanol to be the  
2       best rural development initiative in this  
3       country in at least 50 years if not just as  
4       long as I've been farming. And the best part  
5       about it is the result of a lot of hard work,  
6       a lot of grass roots hard work by corn growers  
7       and farmers all across this country believing  
8       that ethanol is a better idea and a way to  
9       make added value to our crops. I mean,  
10      that's what it's all about. We need to have  
11      value to our crops so that we can spend more  
12      money in our communities. As far as I'm  
13      concerned, there's no reason for anyone to  
14      oppose this construction or to opposed the  
15      development of ethanol in this country or this  
16      state, especially oppose to construction of  
17      the ethanol energy or the Marquis Energy.  
18      Thank you very much.

19                   MR. MESSINA: Bill Roddy.

20                   MR. RODDY: Thank you very much.

21      I'm Bill Roddy with ICM from Wichita, Kansas,  
22      and I can tell you that in my view -- and I've  
23      prepared the application package for this  
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1 project. I can tell you that looking at the  
2 draft permit and working with Minesh Patel,  
3 the permit engineer, that this is a very solid  
4 permit. And I can say that because we've  
5 built nearly 50 green field plants across the  
6 U.S. And I was just at the plant that we  
7 built in Goldfield, Iowa, it's a coal fired  
8 plant. And I can tell you in Iowa they take  
9 their permits very seriously, and we're  
10 testing that coal fired boiler for emissions  
11 to include metals, as well as to include  
12 hazardous air pollutants as well as criteria  
13 pollutants.

14 We actually built our first green  
15 field plant in 2002 and since then about half  
16 the plants in the U.S. are our plants. We  
17 built a couple of plants -- one in Canada  
18 that's grinding corn, making ethanol. We're  
19 going to build another one. We're looking at  
20 Europe and some other places. And I can tell  
21 you that our plants have what I call and what  
22 I think most states would classify as the best  
23 available emission control technology and  
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1 lowest emission rate.

2 I've heard some discussion tonight  
3 and I'm not going to -- I don't want to get  
4 into a rebuttal here, but if you design your  
5 plant to have emissions under a hundred tons  
6 per year you do not trigger the requirements  
7 that you have to put on the best available  
8 emission control technology. However, that  
9 being said, we put together an analysis quite  
10 some time ago. You can't build a ten million  
11 gallon per year plant without putting on the  
12 best available emission controls or else  
13 you'll have a thousand ton per year source.  
14 And rightfully so, the plant in Minnesota did  
15 have some problems, and in the year 2002 when  
16 a round of consent decrees were put into place  
17 because they were built without the proper  
18 controls. The fermenters didn't have  
19 scrubbers, the dryers didn't have thermal  
20 oxidizers and they were major sources over a  
21 hundred tons that were permitted as minor  
22 sources. And as a result they had to retrofit  
23 all those plants with controls. And I was  
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1       involved in one plant, it's a plant in  
2       Russell, Kansas, it's one of our plants, it  
3       was built around 2002 before the controls were  
4       required. We didn't realize we had the  
5       emissions coming from the dryers that we did.  
6       And as a result, we were required to retrofit  
7       it with a thermal oxidizer, and we did. And  
8       we still have to operate that plant at under a  
9       hundred tons a year. And we just finished  
10      retesting it. And we have to test whenever  
11      the state tells us to test to prove it's under  
12      a hundred tons per year. And once we  
13      installed the controls, two years to get the  
14      consent decree approved by the Department of  
15      Justice, and then purchasing and install the  
16      controls. We still have two more years to  
17      operate under the terms of the consent decree  
18      and operate at less than a hundred tons a  
19      year.

20                    Okay. I heard -- also I wanted to  
21      mention before I go down a list of things I  
22      took notes on -- in 2005 the EPA asked our  
23      company, ICM, it's our process -- we engineer,  
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1 design and build these plants with Fegan  
2 (phonetic) as our main contractor. But they  
3 asked me to come to their headquarters and  
4 make a presentation on -- it's the same  
5 presentation that I gave a couple months ago  
6 to the Governor's Ethanol Coalition. But it's  
7 entitled, "Dry Ethanol Plants, Environmental  
8 Impacts and Future Growth." That presentation  
9 deals with all the water, waste and air issues  
10 and the control technology that's used. And  
11 once I was done with that presentation the  
12 regional administrator said, Bill, that's the  
13 kind of expectations we have in your whole  
14 industry, can we send that Power Point  
15 presentation to the EPA offices and to the  
16 states ethanol plants and that set the  
17 standard? A couple of months ago we teamed up  
18 with a consulting firm in Canada. And  
19 Environment Canada is interested in having us  
20 develop their environmental standards for  
21 their ethanol plants.

22 Potential for odor. That's a  
23 really good question, because we did have on a  
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1        few plants a couple of sources of odor. The  
2        thermal oxidizer takes care of the dryer for  
3        potential for odor, the baking grain. And our  
4        scrubber which is limited to emit no more than  
5        two percent of what goes in it -- in other  
6        words, it's a 98 percent efficient scrubber.  
7        We've actually got engineering test data to  
8        show it does operate at a much higher rate,  
9        but since you haven't triggered BACT we only  
10       need 98 percent to stay under a hundred tons.  
11       And that gives us a little margin of safety,  
12       because if the water's not -- all the water  
13       going to our process goes through the  
14       scrubber, it's a single pass scrubber and then  
15       it collects the VOC's off the fermenter and  
16       then goes into the cook process. And I can  
17       tell you that as a fact we discharge no  
18       process water, water that comes into contact  
19       with the processor. But we do discharge not  
20       contact water, and that's ground water that's  
21       concentrated in the cooling tower and then we  
22       have to meet the standards that the state sets  
23       under the MPDS discharge permit.  
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1                   As far as odor goes, I'd have to  
2           say the dryers and the fermenters are the  
3           largest single source of odor. And that  
4           scrubber has been very effective in minimizing  
5           odor. I've never smelled -- and this is at 40  
6           some plants -- I've never smelled fermentation  
7           gases off property. And with a thermal  
8           oxidizer in place, I have never personally  
9           smelled a dryer off property. Now, I can't  
10          say that for a dryer that doesn't have a  
11          thermal oxidizer on it.

12                   As far as monitoring goes, as Mr.  
13          Patel indicated, there are continuous emission  
14          monitors that record NOx emissions from the  
15          boilers on a 365 day, 24-hours-a-day basis.  
16          So for every minute of every hour we can tell  
17          you exactly what our NOx emissions are. We  
18          can't build a plant anywhere in the U.S. or in  
19          Canada for that matter without a full blown  
20          emission testing. When I say that, they test  
21          all the baghouses, they test the scrubbers,  
22          the thermal oxidizers, the boilers. We even  
23          have a leak detection and repair program where  
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1 with a hand-held instrument you go out and  
2 sniff every connection to be sure it's not  
3 leaking. If it is, you have to repair it.

4 Concern about the plant size. We  
5 call it a hundred million gallon per year --  
6 that's a name plate plant -- that's permitted  
7 typically at 110 million gallons per year.

8 I personally have never seen any  
9 purple water discharge from any one of our  
10 plants in any of our states. I think if you  
11 don't have controls, you'd probably have a  
12 hundred times the emissions you're permitted  
13 for, not 10.

14 As far as enforcement goes, I mean,  
15 I've been involved in a couple of situations  
16 where for a short period of time a piece of  
17 equipment may have malfunctioned. The states  
18 do take enforcement actions, they do issue  
19 notices of violation. And as far as the  
20 penalties, not only are there civil penalties,  
21 but there's also criminal penalties, which is  
22 jail, if a plant operates knowingly out of  
23 compliance. It's just not going to happen.

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1       You're not going to find a general manager or  
2       a plant manager that's going to put themselves  
3       at risk civilly and/or criminally in jail.

4               I just recently did permitting in  
5       Indiana, working on permits in Ohio, and I  
6       think I see the same kind of permits that what  
7       the State of Illinois has put in the permits.  
8       And, again, if the rules say you can be a  
9       minor source and emit up to a hundred tons per  
10      year and you want to have some  
11      conservativeness in your permit, you want to  
12      permit as close to that as you can. Now, if  
13      you go over it, that's the risk you take.  
14      You've triggered PSD and you have to pay the  
15      penalty, and the penalty is consent decree,  
16      retrofit of emission controls and then  
17      probably after two years of that then two  
18      years of operating with EPA and the state  
19      monitoring your every move.

20             BACT. How do you control best  
21      available control technology? If your  
22      emissions are over a hundred tons a year, you  
23      trigger that requirement. Now, like I said,  
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1       we cannot build a plant and keep the emissions  
2       under a thousand tons without the best  
3       available emission control or like a baghouse.  
4       That's the lowest achievable emission rate.  
5       That's even better than BACT.

6               I'll be quick.    I want to mention  
7       something about sham permitting, because I've  
8       been involved in a couple of situations in a  
9       couple of states where they've challenged a  
10      particular applicant.  And to me it's like --  
11      it's like if you have a restaurant and you  
12      build a restaurant in town and the market's  
13      there, then you have a good business, then the  
14      town grows and they have to put another  
15      subdivision in or someone builds a shopping  
16      center, there could be more demand.  And if  
17      the demand is there, how do you meet the  
18      demand?  You build another restaurant.  So I  
19      think the same can be said about the ethanol  
20      business.  If they wanted to build a 200  
21      million gallon per year plant and the board of  
22      directors so deemed it, they would have told  
23      me to get a permit for a 200 million gallon  
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1 per year plant. The market wasn't there then.  
2 Now, could it be there in the future? Yeah,  
3 it could be there in the future.

4 I'd just like to -- and also I'd  
5 like to close because I'm -- I mean, I've got  
6 two daughters and two grandchildren, and from  
7 my perspective I'm comfortable for the State  
8 to develop standards, prohibitory standards,  
9 that you have to meet to get a permit that are  
10 protective of the public health and  
11 environment and they protect the public safety  
12 as well. And this plant is a minor source,  
13 it's met all those standards. This is a very  
14 rigorous, very well written and enforceable  
15 permit. Thank you very much.

16 MR. MESSINA: Okay. We've gone  
17 through everyone who has submitted a card who  
18 indicated they wanted to ask questions or make  
19 any comments. And I know we've got at least  
20 one other person who did not. Is there anyone  
21 else who -- okay. Got the first person over  
22 here, and we'll work our way around.

23 MR. RANKOVICH: Thank you. My  
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1 name's Dean Rankovich, R-A-N-K-O-V-I-C-H. I  
2 want to tell you a little story. I've got two  
3 of them real quick. Argyll Cornstarch, if  
4 people are familiar with that. They utilize a  
5 lot of corn. They make cornstarch. I lived  
6 there for 22 years. I never realized until I  
7 moved from Summit, Illinois, to Gardner that  
8 the air smelled as clean as it did. My mother  
9 couldn't wash clothes and put them outside.  
10 They talk about EPA regulating their fallout  
11 or whatever you call it, bogus. Clothes were  
12 ruined. It stunk. It still stinks today.  
13 And they're doing retrofits everyday. That  
14 plant's been there since -- well, it would be  
15 World War II and half the plant's been  
16 demolished and retrofitted with new stuff and,  
17 let me tell you people, it smells. So your  
18 comment you made that there is no smell,  
19 there's smell, and there's smell in these  
20 plants regardless of what you're going to say.  
21 EPA has regulations, I agree with  
22 you. The NRC has more stringent regulations  
23 than you guys do. Let me tell you a little  
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1 story in Braidwood. Let's tell you about how  
2 people lie. They had a tridium leak. We're  
3 not comparing here, but what I'm telling you  
4 is 10 years ago this tridium leaked. When the  
5 tridium leaked the people of Exelon never told  
6 anybody. 10 years later they're doing a  
7 cleanup. Is there going to be fines? Who  
8 knows. Is the NRC there everyday overseeing  
9 it? Yes, they are. Is Exelon spending  
10 millions of dollars cleaning up their  
11 negligence? Yes, there are. But what are we  
12 going to do 10 years from now if there is a  
13 possibility of a fallout from this? We don't  
14 know what this is going to do, so why are we  
15 rushing? We're not comparing, I understand,  
16 apples to apples. But what we are comparing  
17 is your guy's statement that you're going to  
18 regulate it. How are you going to regulate?  
19 You're going to let them regulate it for you.  
20 That's what the NRC did over there and they  
21 lied to people, they lied to the people around  
22 them. Now we got ground water issues over  
23 there. They got contamination. They still  
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1       ain't figured out how they're going to clean  
2       this up.

3                   You guys talked about -- the  
4       gentleman over there talked about how  
5       important this is for farmers. Yes, it is.  
6       Let me tell you, I feel sorry for farmers.  
7       One of the things that you didn't touch on is  
8       E85 is a blend of ethanol gas, correct, is 10  
9       cents a gallon less. Where's the savings to  
10      us? It ain't going to happen. I'm going to  
11      tell you guys right now, the cars are going to  
12      cost more. The farmers ain't going to make  
13      what they want because you guys complain right  
14      now that you don't get -- a bushel of corn  
15      gets you for a loaf of bread. We agree with  
16      you. I'm defending you a hundred percent.  
17      You guys should get \$5 a bushel. But these  
18      guys aren't going to get it. You know who's  
19      going to get it, the owners of that plant and  
20      Mobile and Citgo because when they produce  
21      this ethanol it's going to get pipelined right  
22      over to them and they're going to blend it.  
23      It's not the other way around. They're not  
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1       going to be able to buy the gas, the  
2       petroleum, and mix it and then sell it to you  
3       and me. So you guys ain't going to make much  
4       money. \$3.05 -- a guy like me today that  
5       makes 60 grand a year cannot buy a farm and  
6       produce enough corn to pay the mortgage on it.  
7       So what advantage is it? In 20 years when  
8       you're ready to retire, unless you got kids,  
9       if you have to sell, ain't nobody going to be  
10      able to afford it to produce enough corn to  
11      pay the mortgage. So I don't understand why  
12      everybody thinks this is a good thing. It  
13      really isn't. I'm telling you guys, I'm  
14      living proof, it stinks. It smells. You're  
15      going to have clothes that are going to get  
16      ruined. There's a lot of things here that  
17      need to slow down. He doesn't need to get a  
18      permit tomorrow, maybe a year from now. Let's  
19      find out what it's all about. Thank you.

20                   MR. MAGGI: Chris Maggi, M-A-G-G-I.  
21      You had told Mr. Wegrzyn that there would be  
22      independent testing on this site. You tell me  
23      in here where it says there would be  
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1 independent testing. I see where it says  
2 permittee testing, but I haven't found  
3 anything that says independent. I may have  
4 missed it. Can you show it to me, please?

5 MR. PATEL: We'll look into that.  
6 And before we take any action, we will address  
7 the issue that you have raised. Thank you.  
8 For right now at least I don't see anything in  
9 here. It should be.

10 MR. MAGGI: Can you please explain  
11 to me page eight, paragraph D, what that means  
12 where it says, "After the shakedown period,  
13 NOx continuous emission monitoring on the  
14 boilers may be discontinued."

15 MR. PATEL: What was the condition  
16 again, please?

17 MR. MAGGI: 8D.

18 MR. PATEL: 8D?

19 MR. MAGGI: Yes. Can you explain  
20 what that means to me, please?

21 MR. MESSINA: It's on page 8.

22 MR. PATEL: Right. As the  
23 regulation allows, the NOx emissions are to be  
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1       monitored continuously, but if they have been  
2       aware of monitoring that -- that doesn't mean  
3       that they would not be required to monitor  
4       anything. They would be monitoring something  
5       else that would say that the NOx emissions  
6       would be in compliance with the regulation.

7               MR. MAGGI: Can you tell me who  
8       makes that, is that you guys say that they can  
9       let somebody else monitor it?

10              MR. PATEL: They would have to  
11       submit to us information on that before they  
12       go on to new monitoring.

13              MR. MAGGI: They would have to  
14       submit the information?

15              MR. PATEL: Yes, they would have  
16       to.

17              MR. MAGGI: You guys wouldn't go  
18       question it, they would have to submit it?

19              MR. PATEL: Well, if they want to  
20       monitor something else than nitrogen oxide we  
21       would say they were in compliance and then  
22       they would have to give us information that  
23       would ensure that they are in compliance with  
            Launius Reporting Service

1 the NOx emissions.

2 MR. MAGGI: Okay. Thank you.

3 MR. BROOKER: Hi, my name's Jim  
4 Brooker, B-R-O-O-K-E-R, and I'm from  
5 Granville. Initially coming here I thought  
6 this plant was probably a pretty good thing,  
7 my only question was how good of a plant it  
8 was going to be, you know. If you want to  
9 drive to town you can drive a Yugo or you can  
10 drive a Cadillac. I kind of thought we  
11 deserved a Cadillac around here. But, geez,  
12 from what I'm hearing now that, you know,  
13 they're working without permits already, all  
14 this other stuff, I really don't see where  
15 there's any kind of a guarantee at all that  
16 anything that's being said here tonight is  
17 going to be followed up on. And I guess I  
18 can't even say anything else. I'm pretty  
19 shocked at the things we're hearing tonight.  
20 That's all I got to say.

21 MR. PATEL: To answer your question  
22 on the who would be doing the testing, I think  
23 it's listed on page 61 under condition d, i.  
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1 We are saying that we need permission as to  
2 who's going to be doing the testing and their  
3 experiences with the testing performed at  
4 similar operations.

5 MR. CHIADO: My name is Tom Chiado,  
6 I live about five miles mostly downwind on the  
7 prevailing wind right across the road from Ron  
8 Chiado. Again, I'll say that ESK down there  
9 gives us some awful odors at times. Now, one  
10 quick question for the manufacturer's  
11 representative down here, how far downwind on  
12 the prevailing wind side do you live from such  
13 a plant exists?

14 MR. MESSINA: Does anyone from the  
15 company want to address that question?

16 MR. RODDY: A couple of comments.  
17 One, my office is adjacent to an ethanol plant  
18 that's an older vintage plant and it has no  
19 thermal oxidizer, and I smell it quite  
20 regularly, the grain dryer. And I also smell  
21 the fermentation ethanol smell, the alcohol  
22 smell, because the pressure relief valves are  
23 probably not set right. So I do smell them  
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1       and we're like a quarter of a mile away from  
2       the source. Now, like I said, potential for  
3       odor in my mind that's been solved with what  
4       happened in Minnesota in 2002 and shortly  
5       thereafter. The thermal oxidizer runs at  
6       about 1,500 degrees, 1,450, 1,500, 1,550,  
7       whatever you pass your emission test at,  
8       that's what you have to run your thermal  
9       oxidizer at. And the textbooks say if your  
10      thermal oxidizer is over 1,200 degrees you  
11      take care of your BOC's and odors. And so  
12      that temperature is well above that. The odor  
13      from fermentation is controlled by a scrubber  
14      and that's a packed bed counter current water  
15      scrubber. And in this plant they're going to  
16      use sodium bisulfate, which is an additive,  
17      that assists that scrubber in absorbing even  
18      more BOC's, makes it even more efficient. And  
19      that's not typically done on -- most of the  
20      plants in the U.S. don't use sodium bisulfate  
21      and scrubber. But they are using that. I  
22      don't expect this plant -- I don't think  
23      you'll smell anything off property. If you  
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1 do, it will be an unusual occurrence. And if  
2 it isn't an unusual occurrence, the plant can  
3 take some action to correct that situation.  
4 For example, if the scrubber water flow is low  
5 for some reason, they can troubleshoot that  
6 and get the water flowing back the way it's  
7 supposed to so the scrubber works properly.  
8 But I can tell you -- well, for one of the  
9 public hearings I was at -- and this came out  
10 as far as odor, potential for odor was  
11 concerned, an investor took a -- there was a  
12 bunch of investors that came to visit a site  
13 and the one lady, her husband worked for an  
14 oil company, said my biggest concern is I  
15 don't want to have the potential for odor.  
16 And she went to the plant in Madison,  
17 Wisconsin; that's one of our plants. And she  
18 said when I got out of the bus I walked around  
19 downwind, I didn't smell anything and that was  
20 good enough for me. But that plant has an  
21 adequate scrubber, a very efficient scrubber,  
22 and it's got a very nicely operated PO with  
23 the temperatures that control odor. So I  
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1 think odor is a good thing and it's a good  
2 question. And odor was really probably what  
3 brought the whole ethanol industry to its  
4 knees a few years ago. And, yeah, our  
5 industry wasn't doing the right job a few  
6 years ago, but that's not the case now.

7 MR. CHIADO: You didn't tell me how  
8 far away -- you said where your office is, but  
9 where is your house?

10 MR. RODDY: My house?

11 MR. CHIADO: Yeah. Do you sleep  
12 next to it?

13 MR. RODDY: I don't live near an  
14 ethanol plant, but it would not bother me to  
15 live near an ethanol plant. I've visited  
16 many. I was at the Goldfield plant in Iowa  
17 today testing. And I can tell you in the  
18 process building I got a slight odor of  
19 alcohol, but outside the building I didn't.  
20 And I never smelled any DVG manufacturing,  
21 that's grain drying, I never smelled any, even  
22 on the plant property. I'm comfortable with  
23 it.

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1                   MR. MAGGI: Again, my name is Chris  
2           Maggi. Can anybody here tell me where the  
3           water is coming from. Is it coming from  
4           wells, a river; where is the water coming  
5           from?

6                   MR. MESSINA: Does anyone from the  
7           company want to address that?

8                   MR. MARQUIS: Water wells.

9                   MR. MESSINA: Thank you.

10                  MR. MAGGI: How deep?

11                  MR. MESSINA: Do we know how deep?

12                  MR. MARQUIS: Be in the  
13           neighborhood of 250 feet.

14                  MR. MESSINA: Be in the  
15           neighborhood of 250 feet is his answer.

16                  MR. AIMONE: My name's Alan Aimone,  
17           A-I-M-O-N-E, and I'd like one question  
18           answered. How can they possibly be working on  
19           a site when they don't have the permit?

20                  MR. MESSINA: That's actually a  
21           legal question. Let me just say that without  
22           getting into too many details the law allows  
23           for certain work to be done before -- and the  
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1 phrase is construction commences. And this is  
2 -- it's very technical. Some work is allowed  
3 to be done. Much work is not allowed to be  
4 done. And we've actually had a number of  
5 different calls from people, and we've  
6 encouraged folks to let us know what is going  
7 on at the site so we can take a look at what's  
8 going on.

9 MR. HAGGENJOS: Yes, Bob Haggenjos  
10 again. And I guess I would like to suggest  
11 that they put a no odor clause in the -- I  
12 mean, everybody said there would be no odor,  
13 so let's just put the clause in the agreement,  
14 there will be no odor. That will take care of  
15 that circumstance.

16 The other comment I have is  
17 concerning the monitoring of these various  
18 places that I read about on the internet.  
19 When the state steps in and says you're  
20 leaking too much pollution, the plant doesn't  
21 shut down, these plants just continue to run.  
22 And they can continue to do that for as long  
23 as they can stay in the courts. And I think  
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1       the monitoring language -- I'm not against  
2       ethanol plants, first of all. All right. I  
3       don't think they're -- they're -- they don't  
4       save us any energy. Actually we lose money by  
5       producing the ethanol. But I'm not against  
6       the plants. I'm against the way they're  
7       handled. And the monitoring can go on for  
8       years and the company doesn't have to stop  
9       producing. And so the odor comes out. If  
10      there was scrubbing machines, I believe you  
11      call them, scrubbing machines go down or the  
12      other new kinds of failures happen, the plant  
13      just keeps on plugging away and that concerns  
14      me.

15                   MR. PATEL: The State permit will  
16      not allow them to continuously run if the  
17      controlling elements are not working. So the  
18      permit does state that.

19                   MR. HAGGENJOS: Is it like 90 days?

20                   MR. PATEL: What's that?

21                   MR. HAGGENJOS: Does it give them  
22      90 days?

23                   MR. PATEL: No, it does not.  
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1                   MR. WALLER: My name is Josh  
2           Waller, I live in Mark (phonetic). Basically  
3           what I want to do is address you guys with the  
4           Illinois EPA. You know, Putnam County is the  
5           smallest county in Illinois as far as I know.  
6           And there's no reason why our county has to be  
7           the test subject of an air quality for ethanol  
8           plants. Other states have higher standards,  
9           why isn't ours equally as high? You know, for  
10          you as an EPA member like an analogy better,  
11          take this room. This room is a standard  
12          county, Marquis the standard factory in the  
13          standard county. They're doing the production  
14          and we'll just say in this room they're  
15          smoking cigars. How offensive is your cigar  
16          smoke to anyone over there? But let's take  
17          the same group of people and you guys smoking  
18          cigars, let's go to a classroom. How  
19          offensive is it to us then? And second of  
20          all, let's say you guys smoke twice as many  
21          cigars when you've upped your production, how  
22          offensive is that going to be to us? But it's  
23          not necessarily to you guys, it's because  
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1 ethanol is a good thing but it's up to the  
2 Illinois EPA, because we shouldn't be held to  
3 being the Guinea pigs. Yes, you know, I think  
4 you guys need to be the ones to set the higher  
5 standard for other places to follow.

6 And basically I think you guys  
7 should just put a hold on this project until  
8 you guys have a better plan on what this is  
9 going to be for the long term. This is a  
10 small county, don't ruin it.

11 MR. CHIADO: Ron Chiado again.  
12 Now, when it comes to the regulations  
13 everybody's talking about the Illinois EPA  
14 versus the federal government and everything.  
15 Why can't the federal standards be the same as  
16 our standards or vice versa? Why don't we  
17 adopt the federal standards and make them go  
18 by it? It's cleaner, it's better, it's safer.

19 MR. PATEL: Some of the regulations  
20 are the same. And basically the states  
21 regulations are also mandated from the federal  
22 regulations as well.

23 MR. CHIADO: Basically we're coming  
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1 here for a -- it's going in.

2 MR. MESSINA: Anyone else have any  
3 comments?

4 MRS. MISKOWICZ: I'm Sharon  
5 Miskowicz, I spoke before. I think we all  
6 agree that ethanol is coming and it's probably  
7 a good idea, nothing against any farmers. But  
8 like this gentleman said, it's a small county  
9 and I'm just speaking for the people who  
10 actually have spoken. And I think that it  
11 doesn't take anybody to tell that the three  
12 people or the two people that spoke who are in  
13 favor of this don't live in Putnam County and  
14 neither does the developer.

15 MRS. BASSI: My name is Mary Bassi,  
16 I live here in Hennepin. And I just have one  
17 comment about the application. I don't see  
18 anything in there about light pollution, and  
19 it's a form of pollution. This county already  
20 has too much light pollution from the steel  
21 mill, and I'd like to see something in there  
22 about zero light pollution added if there's  
23 lighting that's added for the streets or the  
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1       plant itself.

2                   MR. MESSINA:  Is there any more?

3                   MR. FIDDLER:  My name is Kenneth  
4       Fiddler, and I'm a resident of Putnam County.  
5       And I am a hundred percent in favor of this  
6       ethanol plant.

7                   MR. RANKOVICH:  Dean Rankovich  
8       again.  I noticed that you were pretty vague  
9       about where the water was coming from.  Is not  
10      the town of Hennepin off the same aquifer of  
11      250 feet as what you guys are going to draft  
12      from?  That would be number one.

13                   And, number two, are you going to  
14      give the town people some type of reassurance  
15      if something occurs down the line that your  
16      water consumption if it affects the town in  
17      any way that you guys are going to divvy up  
18      and pick up any cost that the town might have  
19      to have in case they have to, you know, push  
20      their wells 6, 7, 800 feet or 1,200 to a  
21      thousand feet or whatever?

22                   Number two (sic), if this is such a  
23      lucrative business, and I heard this gentleman  
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1       talk about it, then how come they filed for an  
2       enterprise zone and they're not going to pay  
3       any taxes for 10 years? If I'm mistaken on  
4       that, and if I'm wrong, please tell me so.

5               And, second (sic), who's going to  
6       maintain these roads? You're going to have  
7       truck traffic coming in and out of there and a  
8       township that's not generating any type of  
9       revenue except for vacant land. If I'm not  
10      mistaken, they're going to get vacant land  
11      which I think is about 50 bucks an acre back  
12      to the county. What are they going to do  
13      there? How are they going to pay for the  
14      roads that the trucks are going to tear up  
15      every day? So it's going to fall back on the  
16      taxpayers to pay for the road repair that  
17      these people are generating millions of  
18      dollars from that if they're generating that  
19      kind of money, pay your fair share. If I got  
20      to pay, and this farmer has to pay, everybody  
21      else should pay. Thank you.

22              MR. MESSINA: Does anyone from the  
23      company wish to address any of those questions  
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1 now?

2 MR. MARQUIS: No.

3 MR. MESSINA: Anyone else?

4 MR. RAPP: The gentleman over there  
5 stated that ethanol is inefficient to produce,  
6 and he's probably quoting a study that was  
7 done by a Dr. Pinnentall (phonetic) out of  
8 Cornell University back in the 1970's, and  
9 that is the study that has been repeated and  
10 repeated. I'm just assuming, sir, I don't  
11 know for sure. But that statement said that  
12 it wasn't efficient to produce ethanol.  
13 Studies have been done at Argon National  
14 Laboratories, many other universities and  
15 study places all over the country and have  
16 proven that ethanol based on the production  
17 from ethanol plants today and from the  
18 production of the corn that it is efficient to  
19 produce ethanol. And that statement is not  
20 correct.

21 Also, I thought you left, but I  
22 wanted to make a comment about E85. You might  
23 want to look at a different spot because at  
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1 the Fast Stop in Princeton E85 this morning  
2 was 258; E10 was 299.

3 MR. RANKOVICH: It's 291 in Dwight  
4 this morning at the Amaco.

5 MR. RAPP: Well, I'm sure that's  
6 true. And in places, you know, the ethanol  
7 and the oil company suppliers they can price  
8 it whatever price they want. And one of the  
9 things that we're seeing -- and if they want  
10 to concur with this, too, from what we learned  
11 from corn growers is that the ethanol market,  
12 as I said, was taking over the MGBE business  
13 and that has pulled a lot of the ethanol that  
14 is being drawn into the larger cities where it  
15 needs to be.

16 About four years ago one of our  
17 staff people at Illinois Corn Growers  
18 mentioned to me that ethanol will eventually  
19 be hard to come by in the midwest when it, you  
20 know, is required into those areas to have  
21 cleaner burning fuel. So I think that's what  
22 we're seeing. And as we -- when we eventually  
23 get more ethanol production, those prices will  
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1 level out and we'll be able to see a better  
2 value there.

3 I got another question. Has  
4 anybody been by an ethanol plant? Have any of  
5 you gone to see an ethanol plant? I don't  
6 know where you went. I've been at Adkins, and  
7 I didn't experience the same thing as what  
8 some of these publications are putting out. I  
9 think that was at an earlier time.

10 Another comment I wanted to make --  
11 and I serve on the Bureau County Zoning Board  
12 of Appeals and I know that probably many of  
13 you have heard a few -- I think about three  
14 years ago we had a big issue where they wanted  
15 to build wind turbines in the southern part of  
16 Bureau County. And we went through -- that  
17 would have been the first wind turbine farm in  
18 Illinois. And we went through 60 hours of  
19 testimony over and over and over again. And  
20 we had a bunch of lawyers. Lawyers came in  
21 from outside the community who kept rehashing  
22 this issue, rehashing this issue. And a  
23 majority of the people that got stirred up was  
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1 kind of stirred up by some people in the  
2 neighborhood. Most of the people that were in  
3 that area had never gone and visited a wind  
4 farm. And I think if you do yourself -- take  
5 a little time and go, you know, you don't have  
6 to announce that you're going to be there.  
7 Just go to an ethanol plant and just  
8 experience and see how bad it is. And I think  
9 you'll be very pleased to know it's not going  
10 to be an issue for you. Thank you.

11 MS. BIAGI: My name is Shantell  
12 Biagi, B-I-A-G-I, and I'm just wondering,  
13 you're going to be using our water and you're  
14 going to be making our back yards stink, are  
15 you going to be using our local labor forces,  
16 too?

17 MS. MANNING: Thank you. I just  
18 had a couple of follow-ups that I wanted to  
19 make, particularly to the gentleman, the  
20 representative for Marquis Energy. Number  
21 one, I misunderstood. He talked about BACT,  
22 best available control technology, and he said  
23 our plant's built with BACT. That's not his  
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1 call to make. And it's not. I can assure you  
2 a BACT analysis has not been done for this  
3 project. He also said BACT is not required.  
4 We're doing it, but it's not required. The  
5 fact of the matter is the EPA has not required  
6 them to do a BACT analysis. They are not  
7 requiring best available control technology.  
8 This plant is not being built with the best  
9 available technology. Hook, line and sinker.  
10 And we'll go through that when we do our  
11 public comments in terms of boilers and  
12 efficiency rates, and that kind of thing. It  
13 is not ratcheted down to the level that it can  
14 be. You just need to understand that.

15 Secondly, I heard him say that, you  
16 know, he's worked with a lot of other plants  
17 and 50 some green fields. And I didn't know  
18 what he meant about green fields. I wouldn't  
19 call that an ethanol plant. A green field to  
20 me is you know, working on a ground field site  
21 and making it green. But the fact of the  
22 matter is, my concern here as he talked about  
23 how they did all of those efficiency things --  
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1 but he used two words that really struck a  
2 bone with me and that is consent decree.  
3 Because what that means is the plant was  
4 required to do all of that after a consent  
5 decree. And a consent decree only follows a  
6 court action. So my point here is, get it  
7 right the first time. We don't want, you  
8 know, ethanol plants in Illinois being built  
9 so that they have to have a consent decree to  
10 do it right. It has to be done right right  
11 now in the permitting process. And the agency  
12 needs to get it right so we don't have to have  
13 a consent decree to make everybody do what  
14 they need to do to begin with.

15 Thirdly, the last point I want to  
16 make. Yes, ethanol is great for the economy  
17 in Illinois. Nobody's going to dispute that.  
18 The fact of the matter is, so are landfills.  
19 There's a lot of different environmental  
20 systems that are a boom to either the local  
21 economy or to -- this time the state economy.  
22 But the fact of the matter is, if so much  
23 money is going to be made as a result of these  
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1 ethanol plants, one has to ask the question,  
2 then why aren't they required to utilize the  
3 best available control technology because  
4 they're going to be able to afford it? And  
5 that's the question. You know, landfills now  
6 are built. There's so many stringent rules,  
7 you have to have financial assurance in case  
8 there's a closure, you know, the company goes  
9 bankrupt, and all of those kinds of issues.  
10 And none of those requirements are in place  
11 for this plant. So, again, a reason for the  
12 agency, for the EPA, to get it right the first  
13 time and make sure that all the proper  
14 permitting, all the I's are dotted and the T's  
15 are crossed. And my point is that this one,  
16 they're not there yet. They need more  
17 information from this company to assure that  
18 the current regulations are going to be  
19 applied and that they're not going to trigger  
20 PSD. Because they need to understand and  
21 appreciate that if they do trigger PSD a  
22 greater review -- a greater review really is  
23 necessary before this permit is passed.  
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1 Thank you.

2 MR. MESSINA: Okay. Is there any  
3 -- do you have anything new?

4 MR. WILSON: I just want to address  
5 about four issues here that were brought up.  
6 We just pointed out and they submitted it in  
7 Wisconsin they achieved 99.9 efficiency on  
8 emissions. It's kind of ridiculous if they  
9 can achieve it why don't they commit to it?  
10 It can be achieved. When we're talking about  
11 literally tons and tons of air emissions in  
12 the scheme of things of what we're talking  
13 here. And there's nothing wrong -- there's no  
14 law that stops them from voluntarily putting  
15 in the air permit that we will have 99.9  
16 percent efficiency on our emissions.

17 One of the biggest flaws in the  
18 document that the Illinois EPA is reviewing  
19 right now is the water usage. Notice it's  
20 been asked two or three times, nobody said a  
21 million gallons a day, five million gallons a  
22 day, 300 million gallons. Even the agency has  
23 dodged the question on how much water usage.

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1       What I submit to the agency, any time you use  
2       water you have emissions. Think about it.  
3       Evaporate that's an emission. And there's no  
4       way this permit addressed the settling ponds,  
5       the emissions that will come off their  
6       settling ponds, because they will have  
7       settlement ponds.

8               MR. MESSINA: This is the air  
9       permit. So if we have a water discharge area  
10      usage --

11             MR. WILSON: Air issues --

12             MR. MESSINA: Can you just hold on  
13      for one second? I asked to interrupt, and I  
14      apologize for doing so. I just want to be  
15      clear that if we do deal with, you know, for  
16      instance, runoff or any kind of discharge, I  
17      mean, that's going to be dealt with in a  
18      separate permitting action. I just want to be  
19      clear that we knew that that's what we're  
20      talking about today.

21             MR. WILSON: And in California  
22      those are figured in the air permits. Now,  
23      maybe Illinois doesn't do that, but they're  
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1       figured in the air permits.

2                   And I've also pointed out under  
3       California rules -- California --

4                   MR. MESSINA:  There are a lot of  
5       folks here.  I'd like to focus on the Illinois  
6       rules not what's the case in California.  I'm  
7       trying to keep things moving along so everyone  
8       that wants to talk about the Illinois  
9       situation can do that.

10                  MR. WILSON:  The other thing is the  
11       cumulative impact.  I'm talking about piece  
12       meal operation.  This permit does not address  
13       the grain operations that's adjacent and in  
14       fact working in conjuncture with this.  It has  
15       to be a part of the permit.  Why?  You got the  
16       same owners.  They've even admitted in the air  
17       permit they're going to ship this grain and  
18       this ethanol right through the same facility.  
19       It's not a part of the permit.  That very well  
20       could trigger a major resource review.  This  
21       whole permit is a piece meal approach.  I hate  
22       to use other states.  It's illegal in other  
23       states to piecemeal a project.  But any  
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1 emissions associated with this project has to  
2 consider it and this permit does not take into  
3 account the other adjoining shared ownership,  
4 joint operation emissions that are created and  
5 there's no reference to them whatsoever in the  
6 current air permit. And I'm sorry to  
7 reference other states, but Illinois can learn  
8 a lot from other states.

9 MR. MESSINA: Thank you very much.  
10 I appreciate it. Is there anyone else that  
11 has some new issue that we haven't touched on  
12 yet?

13 MR. HAGGENJOS: I have one more  
14 question. This is a question to the  
15 gentleman seated in the front row down there.  
16 In the ethanol magazine Producer that I have  
17 in my hand it says that Marquis Energy, LLC,  
18 in Hennepin, Illinois, and Babcock and Brown,  
19 a global investment advisory firm announced in  
20 April they had signed a memorandum of  
21 understanding to construct, manage and provide  
22 investment financing for a two phase 200  
23 million gallon fuel grade ethanol facility  
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1 near Hennepin. I have heard from -- this  
2 gentleman here did not address that. I'd like  
3 to know if this is true or is this a false  
4 statement from someone in the organization.

5 MR. MESSINA: Does anyone want to  
6 address that at this time?

7 MR. MARQUIS: No.

8 MR. MESSINA: Looks like we've come  
9 to a close this evening. I do sincerely  
10 appreciate all of you here tonight talking  
11 about this issue. We do listen very closely.  
12 The comment period will remain open for 30  
13 days. So if you have any additional comments  
14 just as Miss Manning mentioned she will be  
15 submitting something, that period lasts until  
16 August 31st. So any comments need to be  
17 postmarked by midnight August 31st for them to  
18 still be considered by the agency.

19 UNIDENTIFIED SPEAKER: Would you  
20 give your name and address again, please?

21 MR. MESSINA: Absolutely. A-L-E-C  
22 M-E-S-S-I-N-A. Hearing Officer, Illinois  
23 EPA, 1021 North Grand Avenue East, P.O. Box  
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1       19276, Springfield, Illinois, 62794-9276. And  
2       that address, I believe, we have some  
3       additional information should be on the fax  
4       sheet that's on the web. You should have that  
5       address as well there in case you didn't get  
6       it tonight. So, anyway, thanks again. I  
7       appreciate all of you coming out here this  
8       evening. And with that, this hearing is  
9       adjourned.

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1       STATE OF ILLINOIS     )  
2                                     ) SS  
3       COUNTY OF PEORIA     )

4                     C E R T I F I C A T E

5       I, Cindy M. Scribner, CSR-RPR, License  
6       #084-004465, a Notary Public duly commissioned  
7       and qualified in and for the County of Peoria  
8       and State of Illinois, DO HEREBY CERTIFY that,  
9       pursuant to agreement, there came before me on  
10      the 1st day of August, A.D., 2006, at 400  
11      Silverspoon Avenue, Granville, Illinois, the  
12      hearing. The examination was immediately  
13      reduced to shorthand by means of stenotype by  
14      me.

15      I ALSO CERTIFY that the transcript is a true  
16      record of the testimony given by the parties.

17      I FURTHER CERTIFY that I am neither attorney  
18      or counsel for, nor related to or employed by,  
19      any of the parties to the action in which this  
20      hearing is taken, and, further, that I am not  
21      a relative or employee of any attorney or  
22      counsel employed by the parties hereto, or  
23      financially interested in the action.

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